



**Abercrombie Administration
Accomplishments
(as of Aug. 1, 2014)**

Accounting and General Services (DAGS)

On-time Completion of Single Audit. Completed and filed the Fiscal Year 2012 Schedule of Expenditures of Federal Awards (SEFA) by the federally mandated date of March 31, 2013. This marked the first time in more than 10-years that the state has filed on time.

Earliest Completion of Comprehensive Annual Financial Report (CAFR). Completed and filed the Fiscal Year 2012 CAFR on January 23, 2013 – the earliest the state has filed since Fiscal Year 2004. The earlier filing enabled DAGS to apply for a 30-day extension to the Government Financial Officers' Association (GFOA) to qualify for its prestigious Certificate of Achievement for Excellence in Financial Reporting. While the extension filed by DAGS was approved by GFOA, we are currently awaiting the final status of the award.

Enterprise Resource Planning (ERP) Project. DAGS has been a hands-on contributor of the ERP project and the Executive Steering Committee, and has participated in all phases of the project thus far. The ERP project is the Governor's flagship program to reengineer and transform seven key functional areas of Hawaii's business enterprise: budget and financial management, human resources management, grants management, asset management and inventory control, time and attendance tracking, payroll, and acquisition/procurement. The result of the project will be a single system, to be designed and deployed in phases, which will integrate many of the state's business processes into a unified enterprise-wide system, promoting efficiency and transparency.

Uniform Chart of Accounts (UCOA). As a result of the anticipated ERP project, DAGS recommended the development of a UCOA. The UCOA is critical for a successful ERP as each state department and entity currently utilizes different charts of accounts for financial reporting. The Request for Proposal (RFP), which was completed in July 2013, was deferred for release so the ERP RFP could precede it. It is anticipated that the RFP for the UCOA will be released in early October 2014. DAGS is the executive sponsor of this project.

Collection Procedures. In coordination with other state departments to address the continuing issue of payroll overpayments, a new Comptroller's Memorandum (No. 2013-02) was released that provides for more aggressive collection procedures ensuring satisfaction of overpayment balances within 12

months. Likewise, DAGS has enhanced the monthly overpayment reporting process by adding supplementary information to provide greater transparency and oversight.

Digital Archives. The passage of Act 88, Session Laws of Hawaii (SLH) 2013, was a significant accomplishment for the State Archives in that it defined the powers of the State Archivist with regard to preservation of digital records within the State of Hawaii, approved a dedicated funding stream for the ongoing development and maintenance of the Hawaii State Digital Archives, and clarified several important terms used by the State Archives. Act 88 will enable the State Archives to acquire, process, provide access to and permanently preserve trustworthy digital records of enduring legal, historical, fiscal and cultural value.

Kamamalu Building. The Kamamalu Building, now under redesign, will be the new home for various Department of Human Services and Department of Health programs toward the last quarter of 2015. Anticipated savings in private lease rent payments are projected to be approximately \$2.2 million annually. The building will be completely renovated and include new mechanical and electrical systems and be tailored to the needs and operations of the incoming tenants. Handicap accessibility also will be addressed as the State of Hawaii breathes new life into the 50-year-old building.

Energy Efficient Buildings. DAGS will continue installation of photovoltaic solar (PV) systems to supplement our buildings energy needs, when funds are available, on appropriate solar-rich facilities. Presently, the Automotive Management's Makai Garage, the Central Services' Mapunapuna Baseyard Facility, Hale Kiaaina, and the Kalanimoku Building have PV systems that are substantially reducing the state's electrical utility burden by as much as 64,000 kWh and \$21,000 per month.

Office of Information Management and Technology (OIMT)

IT / IRM Strategic Plan. In 2012, OIMT completed a comprehensive [Information Technology and Information Resource Management Transformation Plan](#). The plan provides a foundation for 10 to 12 years of technology and process improvements that will support state employees and improve services to our residents. For its transformation plan, Hawaii earned a 2013 Federal 100 award by Federal Computer Week magazine – the only state government in the nation to receive such an award that year.

Tax Processing Business Process Reengineering (BPR) Project. OIMT worked with the Department of Taxation to explore and implement tax return and refund processing improvements. In FY 2012, 500,000 more checks were processed within two weeks, as compared to FY 2011. More than \$100 million in refunds were issued to taxpayers in under 14 days as compared to FY 2011.

ERP Planning and Requirements Development. OIMT completed a statewide feasibility study, security assessment, and business requirements, ultimately leading to the issuance of a comprehensive RFP. The ERP Program is the state's flagship IT initiative. It will integrate seven core IT-related processes of the state: Payroll, Time and Attendance, Asset Management, Grants Management, Acquisitions, Budget/Finance, and Human Resources.

Transformation Internship Program. OIMT launched the Transformation Internship Program,

providing college and graduate students at Hawaii and non-Hawaii universities with the opportunity to gain knowledge and experience in Hawaii State government. Nearly 200 students have participated in the program's first year, helping to build IT skills and pave the way for a more robust Hawaii IT ecosystem.

Department of Taxation Request for Proposal. OIMT collaborated with the Department of Taxation in securing funding for and development of a comprehensive RFP that is on the cusp of release. The system will implement many improvements that will provide improved support to state employees and better service to the community.

Security Operations Center. OIMT built the state's first Security Operations Center (SOC) for continuous monitoring and response to cyber threats.

Open Data. OIMT launched the state's open data site, data.hawaii.gov, which supports the Abercrombie Administration's initiative to increase public awareness and access to data and information, enhance government transparency and accountability, encourage public engagement, and stimulate innovation with the development of new analyses or applications based on the data. Since its launch, departments and agencies have released more than 300 datasets.

State Portal. OIMT launched a completely redesigned hawaii.gov portal landing page, significantly enhancing the consistency and searchability of Hawaii government websites. The project to improve online services is part of the state's Business and Information Technology Transformation Plan, released last year. Featuring responsive design, the new portal landing page adapts to mobile devices and numerous web browsers without losing functionality. Its "touch-first" design makes it compatible with mobile and tablet devices.

Technology Innovation. The State of Hawaii earned the 2014 Government Innovator of the Year award from the Government Technology Research Alliance (GTRA), which recognizes government and industry information technology (IT) leaders whose vision, innovation and remarkable accomplishments have improved efficiency, the delivery of government services, citizen engagement, information sharing, and national security. Sanjeev "Sonny" Bhagowalia, the Governor's Chief Advisor for Technology and Cybersecurity, was recognized for his facilitation of Hawaii's business and technology transformation, launched in 2011 under Abercrombie Administration. Recognized achievements include transforming business and technology in the state through the innovative use of enterprise architectures, strategic planning, program management, transparency and personal transformation.

Agriculture (HDOA)

Veteran/Homesteader to Farmer Program. As part of the larger Waimea Nui Community Development Initiative, the Veteran/Homesteader to Farmer Program aims to grow the agricultural workforce by giving veterans and homesteaders the training, under the mentorship of a proven farmer, and resources to begin a successful career in farming.

Revitalization of the Dairy Industry. The dairy industry in Hawaii has been in sharp decline. As of 2007, there were only five dairies operating throughout the state. That number has fallen even further

with only two dairies currently running in the state. However, with support from HDOA, Big Island Dairy has been revitalized with new ownership and plans to expand their production capability in order to bring fresh, local milk throughout the state and move toward the goal of greater food self-sufficiency.

Oceanic Institute Feedmill. HDOA, in accordance with Act 122, SLH 2012, contracted with Oceanic Institute to build a feedmill on Hawaii Island slated to break ground in summer of 2014. The cost of feed is one of the highest input costs for our protein producers, largely due to transportation costs required to import feed from the continental U.S. By providing a local feed substitute, we will be able to greatly reduce this cost as well as create another industry in Hawaii.

Sharwil Avocado. USDA rules have been amended to allow for the exportation of Sharwil avocados from Hawaii to the continental U.S. according to specific protocols. This will greatly increase the markets available for our local avocado growers and increase the demand for their product.

Detector Dog Program. Four positions were restored in the HDOA to resurrect the Detector Dog program. This program had proven extremely effective in preventing the entry of invasive species at our airports. Decreasing invasive threats coming to Hawaii would result in fewer invasives that farmers would have to mitigate, thereby decreasing the cost of farming.

Food Metrics. Funding received from Ulupono Initiative has been used to contract with Sustain Hawaii to create the necessary baseline metrics by which we as a state can gauge our production of food. These baseline metrics will enable us to set goals and measure success that includes doubling our local food production by 2020.

Hawaii Agricultural Skill Panel. In collaboration with the Department of Labor and Industrial Relations (DLIR), statewide conferences were held, which included over 600 stakeholders, to identify action steps to increase Hawaii's agricultural workforce. The aging of farmers in Hawaii needs to be balanced by an increase in younger farmers, who will then be able to increase the supply of local food.

Agricultural Loans. Since the start of the Abercrombie Administration, HDOA's Agricultural Loan Division has approved 57 loans, totaling \$9,267,896. Of these loans, 10 were new farmer loans and 12 were specifically made to support smaller farms of five acres or less.

New Farmer Loans. Passage of Act 201, SLH 2013, expanded HDOA's ability to provide loans to new farmers, as well as provide loans to promote new innovative practices that can increase agricultural production and efficiency.

Locally Grown Food. Passage of Act 55, SLH 2013, amended the Hawaii State Planning Act to include policies to support the purchase and consumption of locally-grown food and food products. This policy will guide the state, and particularly governmental institutions, to procure more locally-produced agricultural commodities.

Galbraith Estate Land. The Agribusiness Development Corporation (ADC) acquired 1,200 acres of agricultural land through collaboration with state, federal, and private entities, and an additional 500 adjacent acres were purchased by the Office of Hawaiian Affairs (OHA). ADC is working diligently to prepare the land for cultivation and identify bona fide farmers with proven track records who can bring the lands into cultivation.

Important Agricultural Lands (IAL). HDOA continues to work with landowners to help designate their lands as IAL, which would insure the land remains in agricultural use for perpetuity. Most recently, 11,206 acres were designated as IAL on Kauai. Since the start of the Abercrombie Administration, 70,195 acres have been designated as IAL.

Attorney General (AG)

Office of Hawaiian Affairs (OHA) Claims. The AG's office helped to bring to final resolution 30-year-old outstanding claims of OHA related to ceded lands revenues totaling \$200 million in Kakaako property.

National Mortgage Foreclosure Settlement. The AG's office participated in a \$25 billion national settlement between 49 states and five major banks for damages arising from the banks' improper mortgage foreclosure processes, resulting in \$80 million in benefits to Hawaii homeowners.

Substitute Teachers Litigation. The AG's office successfully negotiated a partial settlement of ongoing litigation for claims brought by substitute teachers over wage payments totaling \$14 million.

U.S. Supreme Court Decision on Department of Hawaiian Home Lands (DHHL) Lessee Tax Exemptions. The AG's office participated in a successful briefing before the U.S. Supreme Court in which the Court denied a certiorari petition and declined to hear claims by litigants arguing that DHHL lessees were receiving tax exemptions from the counties in violation of the Equal Protection Clause.

Technology Improvement of AG Department. The AG's office is overseeing ongoing and successful upgrading of computer hardware and software throughout the Department and providing the necessary training of personnel to revise and replace antiquated systems and procedures.

Online Travel Agencies. The AG's office successfully brought a lawsuit against several online travel agencies including Expedia, Hotels.com, Hotwire, Orbitz, Travelocity, and Priceline to obtain approximately \$240 million in unpaid general excise taxes including penalties and interest. Assessments of additional unpaid general excise taxes of \$138 million are pending review in the Tax Appeal Court, and the state is requesting the Hawaii Supreme Court to sustain the validity of an additional \$648 million in unpaid transient accommodations taxes by the online travel companies.

Kupuna Alert Partners Presentations for Seniors. The AG's office helped provide educational seminars on Medicaid, financial fraud and prescription drug misuse in conjunction with the Department of Public Safety, Executive Office on Aging, and the Department of Commerce and Consumer Affairs.

Budget and Finance (B&F)

Pension Reform. The state has implemented reform measures in two consecutive years to significantly improve its pension funding picture. Because of measures enacted in 2011 and 2012, the state is now on a planned path toward paying down the unfunded actuarially accrued liability.

Pre-funding of Retiree Health Insurance Benefits. After several years of preparation, Act 268, SLH 2013, will set the course for the state to pre-fund its Other Post-Employment Benefit (OPEB) obligations at 100 percent of the Annual Required Contribution (ARC) by 2019. This landmark piece of legislation set the State of Hawaii apart from the rest of the nation with regard to retired public employee health care benefits.

Strengthened the State's Financial Position. After facing a projected deficit greater than \$220 million in 2011, the state has rebuilt its ending balance to more than \$844 million and recapitalized its reserves (Emergency Budget and Reserve Fund and the Hawaii Hurricane Relief Fund) to pre-2010 levels. The state was able to achieve this by running operational surpluses (expenditures never exceeding revenues) every year since 2011. The efforts have resulted in S&P upgrading the State of Hawaii's Outlook to "Positive."

Largest Bond Sale in State History; Lowest Interest Rate in State History. In 2011, the state completed its largest bond transaction in state history. The \$1.3 billion sale was well received in the bond market and in great demand because of growth prospects. The following year, 2012, the state sold \$870 million in bonds and achieved the lowest rate in Hawaii history; the bonds were priced and sold at a rate of 2.6 percent, almost a full percentage point lower than the previous low set the year before.

Closed out the Student Loan Auction Rate Securities. In 2013, the state successfully negotiated and closed out all holdings of Student Loan Auction Rate Securities. The securities, purchased prior to 2011, became untradeable when the market abruptly shut down in 2008 before the financial crisis. At the time, the state held more than \$1 billion in these assets that it could no longer trade and/or sell in the open market, effectively becoming illiquid assets. After a long standing legal battle, the state settled with the sellers to close out the holding by 2015. The state in 2013 was able to negotiate an early completion of the settlement, effectively closing out this issue two years ahead of schedule.

Business, Economic Development, and Tourism (DBEDT)

Innovation Economy. Consistent with efforts to support a dynamic innovation economy, the Launch Akamai Venture Accelerator (LAVA) Program was established. A series of statewide informational meetings were held to solicit applicants. In the end, seven qualified applications were received. The Hawaii Strategic Development Corporation (HSDC) Board of Directors decided to allocate funding to the following two applicants to the LAVA Program:

- Blue Startups: \$200,000 in LAVA funds to support operations and \$500,000 for an affiliated investment fund
- Kinetiq Labs: \$200,000 in LAVA funds to support operations and \$500,000 for an affiliated investment fund

HI Growth Initiative. DBEDT established and provided funding for the HI Growth Initiative to develop and support entrepreneurial high-growth companies in Hawaii, recognized by the National Governors Association as a top trendsetter in state economic development in the area of job creation. As a result,

the state was able to align innovation programs in the creative, energy, technology, food, and manufacturing industries under a single strategic initiative to provide resources to Hawaii's innovative businesses.

Hawaii Broadband Initiative. DBEDT launched the Hawaii Broadband Initiative (HBI) and worked with the Department of Education and the HEI Foundation to start the One to One Laptop program. DBEDT worked with the State CIO and the Department of Commerce and Consumer Affairs to obtain legislation to expedite permitting for expansion of high-speed broadband facilities in the state, and funding for environmental studies for fiber optic cable landing sites to facilitate bringing new transpacific high-speed broadband cables to Hawaii.

HI Growth Initiative: Attracting Clean Energy Test Bed Investment and Innovation. In 2011, Gov. Neil Abercrombie and Japan-based New Energy and Industrial Technology Development Organization (NEDO) signed a memorandum of understanding to pledge ongoing efforts between the State of Hawaii and NEDO. A \$37 million smart grid demonstration project on Maui was initiated. The Japan-U.S. Island Grid Project, commonly referred to as the "JUMPSmartMaui Project," aims at improving integration of variable renewable energy resources, such as solar and wind power, and preparing the electric system for widespread adoption of all-electric vehicles.

On December 16, 2013, the new JUMPSmartMaui Innovation Center in the Queen Kaahumanu Center was opened. The center was created to inform, educate, and engage the public in Maui's clean energy history and the JUMPSmartMaui project.

Science, Technology, Engineering, and Mathematics (STEM). DBEDT provided funding to continue STEM programs in Hawaii's public schools.

Green Energy – Tools and Assistance. National and international developers and investors are discovering Hawaii is the ideal workshop for the development of clean energy technologies. The Online Developer & Investor Center is a dynamic resource, regularly updated by the Energy Office in order to inform users of contemporary issues facing renewable energy development in Hawaii today. The Center provides guidance on project permitting, local utility interconnection, Hawaii business registration, project financing and local incentives, local permitting consultants, and site acquisition in Hawaii.

Energy Performance Contracting (EPC). For the second consecutive year, the State of Hawaii was awarded the Energy Services Coalition's (ESC) Race to the Top in recognition for leading the nation in per capita performance contracting for state and county buildings. (Hawaii per capita investment is \$275.85/person; national average is \$36.36/person.) The ESC is a national nonprofit organization dedicated to supporting performance contracting.

More than \$338 million has been invested by both state and county agencies in EPCs with cost savings expected to grow to more than \$887 million over the 20-year life of the contracts. DBEDT provides technical assistance to agencies.

In December 2013, the Department of Transportation (DOT) announced the latest performance contracting project. The airports project is a \$150 million agreement for performance contracting for 12

airports statewide. The project was financed by selling \$167.7 million of certificates in the municipal bond market. An overwhelming response from market investors received more than \$1.1 billion in orders from local Hawaii and national investors. This is the single largest EPC agreement in the nation.

State Energy Policy. The Governor established a comprehensive, five-point energy policy that guides Hawaii's strategic investments in clean energy production and management for the purpose of stimulating economic growth, improving energy security and reducing energy costs. The State Energy Office (SEO) provided policy direction and analysis to the Public Utilities Commission on dockets relating to inter-island electricity transmission, grid reliability, biofuels contracts, and integrated resource planning.

SEO provides developers and investors with important technical assistance, permitting tools, and local connections to accelerate a project's journey to the marketplace, where the rewards will be felt statewide. SEO created the Self-Help Energy Suite of tools to advance high impact, clean energy alternatives:

- *Renewable EnerGIS Map* provides renewable energy resource and site information for specific Hawaii locations. It is intended to help landowners, developers, and policy makers understand the renewable energy potential of sites statewide.
- *Renewable Energy Permitting Wizard* was developed to help those proposing renewable energy projects to understand the county, state, and federal permits that may be required for their individual project. This tool works for projects ranging in size from residential solar installations to large, utility-scale facilities. It currently is being upgraded to reflect current permitting requirements, improve user functions, and be available in an open source software environment.
- *Hawaii Renewable Energy Projects Directory* is an interactive directory to find and learn about renewable energy projects in Hawaii. The directory lists projects statewide, showcasing the variety of renewable energy resources that are being harnessed to move us closer to reaching our overall clean energy goal.
- *EV Stations Hawaii Mobile App* is designed to help electric vehicle (EV) drivers locate publicly available charging stations statewide. Launched in 2013, the free app is offered for Apple and Android smartphones and mobile devices. It helps EV drivers locate the nearest charging station, giving them the confidence that they can recharge while on the road.

Green Energy Market Securitization (GEMS). Established by legislation in 2013, GEMS is an innovative clean energy financing program designed to make clean energy improvements affordable and accessible to Hawaii consumers, especially underserved markets such as low- and moderate-income homeowners, renters and nonprofits.

Hawaii Clean Energy Programmatic Environmental Impact Statement. The Hawaii State Energy Office (State Lead and Cooperating Agency to the U.S. Department of Energy), announced the availability of the Hawaii Clean Energy Programmatic Environmental Impact Statement (PEIS). This PEIS is intended to inform future statewide clean energy projects and other actions to support Hawaii in achieving the goal of 70 percent of the state's energy needs by 2030 through energy efficiency and renewable energy as established by the Hawaii Clean Energy Initiative (HCEI). The primary purpose in preparing this PEIS is to provide information to the public, federal and state agencies, Native Hawaiian

and other organizations, and future energy developers on the potential environmental impacts of a wide range of clean energy technologies that could be used to support HCEI. This environmental information could be used by decision makers, developers, and regulators in determining the best clean energy activities and technologies to meet Hawaii's future energy needs and our state policy of balancing technical, economic, environmental, and cultural considerations.

The PEIS is available online at <http://hawaiiicleanenergypeis.com/>.

With the release of the Draft PEIS, DOE scheduled eight public hearings between May 12 and 22, 2014 on Kauai, Hawaii Island, Maui, Molokai, Lanai and Oahu. The final approved PEIS is anticipated by the end of 2014.

Hawaii Refinery Task Force Final Report to the Governor. The Hawaii Refinery Task Force has completed its year-long study of the potential impacts of refinery closures and submitted its Final Report to Gov. Neil Abercrombie on April 28, 2014.

The Final Report found a number of measures that are already helping state policymakers take action to secure Hawaii's future energy supply:

- Advancing legislation to modernize Hawaii's outdated gasoline specification;
- Refinery closure scenarios are being incorporated into the Kalaheo Barbers Point Harbor planning processes; and
- A prioritization process is being developed for ensuring delivery of jet fuels at Pier 51.

The Final Report also raised a number of longer-term challenges that the state must address:

- While the Hawaii Clean Energy Initiative (HCEI) is significantly reducing the state's use of fossil fuels for electricity generation, much more will need to be done to reduce this reliance on fossil fuel for transportation.
- The gradual phase out of the fossil fuels and the further development of renewables, bioenergy, liquefied natural gas (LNG), and a connected state power grid over the coming decade will require careful planning to ensure stability of the grid.
- Given the complexity and urgency of these issues, there may be need for establishment of a designated coordinated entity to ensure alignment of state policy and actions around conventional fuels, as part of the state's overall energy strategy.

Export and Trade Assistance. The Foreign Trade Zone (FTZ) Program is a self-sufficient (no general funding) program that assists Hawaii business entities of all sizes. The FTZ provides training, educational seminars, and counseling to Hawaii businesses seeking to establish export capabilities. For the 2012 calendar year, FTZ #9 surpassed all previous years with a record \$13.4 billion in merchandise handled by FTZs statewide, up 7.4 percent from 2011. Exports from Hawaii FTZs were up 9.4 percent, reaching nearly \$900 million. Statewide, FTZs also invested \$70 million in capital improvements in 2012.

Accountability. DBEDT has adopted metrics for its overseas trade missions. Each mission is now more economically efficient and provides metrics for results. For example, 42 Hawaii companies representing food, fashion, and accessories exhibited in the Hawaii Pavilion at the 2013 Tokyo International Gift Show. Thousands of buyers, including wholesalers, retailers and importers,

experienced a wide array of Hawaii-made products to be exported to the Japan market. Hawaii Pavilion exhibitors totaled more than 70 individuals representing a range of well-known and emerging Hawaii brands. The Tokyo International Gift Show gave participating Hawaii companies an opportunity to showcase new and familiar Hawaii-made products at the largest international trade show in Japan. Preliminary sales reported by the participating companies exceeded \$3.7 million.

DBEDT, in partnership with the Economic Development Alliance of Hawaii, led a mission of eight Hawaii companies to Seoul, South Korea to participate in Trade Winds Asia, May 12-16, 2013. Trade Winds is organized by the U.S. Department of Commerce/U.S. Commercial Service, and includes a business development conference, meetings with Senior Commercial Officers from 13 posts throughout the Asia Pacific region, and one-on-one business meetings. Our Hawaii companies had a total of 80 one-on-one meetings with Korean companies, which is expected to result in \$3.4 million in export sales.

Housing Development. Since its inception in 2006, the Hawaii Housing Finance and Development Corporation delivered 5,488 affordable workforce units, 2,809 of which were built during the Abercrombie Administration.

Workforce Housing. A program was initiated to use public-private partnerships in order to develop affordable workforce housing. A down-payment assistance program was also established to help working families overcome a major barrier to homeownership.

Unemployment Insurance Fund. The unemployment insurance fund was stabilized, and assessments were moderated during the recession to ensure that employers' rates did not spike. This resulted in a healthy fund and lower the payments by businesses.

Natural Energy Laboratory of Hawaii (NELHA). NELHA in Kailua-Kona is moving aggressively into targeted areas such as applied technology development, deployment and commercialization in the fields of renewable energy, containerized technologies, fuel cells, and critical infrastructure, such as secure energy storage facilities, as part of the current game plan. NELHA continues to be recognized as a world-class site for research on Ocean Thermal Energy Conversion (OTEC). More than 40 separate businesses are thriving in the park and provide nearly 600 jobs, and economic impact is approaching \$100 million annually. Of the 870 acres at Hawaii Ocean Science and Technology Park, approximately 250 acres are readily available for lease and commercialization.

Creative Lab Accelerator. DBEDT launched the Creative Lab Accelerator program with strategic partners, the Writers Guild of America, Producers Guild of America, Hawaii Academy of Recording Arts, and the Hawaii Film Festival, to support Hawaii entrepreneurs' creative content for export in film, new media, music, and design.

Hawaii Film Studio. In FY 13, \$1,725,000 was appropriated for phase one critical repairs to the Hawaii Film Studio; \$3,460,000 was appropriated in FY 13 for phase two for structural improvements to the seven-acre facility. Estimated completion date of all phases is December 2015.

Creative Media/Film Studio Complex Study. \$250,000 was appropriated in FY14 to provide market analysis, site recommendations, structural mix, and a plan for a new studio complex to support offshore and local creative entrepreneurial development.

Commerce and Consumer Affairs (DCCA)

Mobile apps. DCCA worked to improve access for businesses filing for annual renewals by following where technology is leading us – mobile communications. BREG Division launched a suite of mobile web-based apps, the first in the country that allows users to search business names, and to make document purchases and annual filings. The apps earned Best Government Mobile Website in the inaugural MobileWebAwards Competition; International Association of Commercial Administrators (IACA) awarded a prestigious 2012 Merit Award for Outstanding Innovation. The Insurance Division and Division of Professional and Vocational Licensing integrated mobile access to their license searches. Now consumers with a smartphone or tablet can check the status of more than 130,000 licensees.

Online Services. The Professional and Vocational Licensing Division encouraged an increase in the adoption of online license renewals from 85 percent to 90 percent. The Division of Financial Institutions also advanced in the modernization of state government with its switch over to new computer hardware that allows them to work in conjunction with new systems that monitor institutions around the country. The Division of Business Registration's online renewal adoption has surpassed 90 percent. The Insurance Division's encouragement for licensees to use online services for their renewals has consistently seen their participation using this service above 90 percent, with the last three years being more than 95 percent. The Insurance Division's Rate and Policy Branch also switched to an electronic filing only system in 2013 and recorded 4,188 filings by insurers.

Hawaii Broadband Initiative. The administration tasked DCCA as one of the lead agencies in improving Hawaii's broadband speed and availability. The Cable Television Division lobbied for federal grants that were used to map the existing broadband availability and capability. The department launched HawaiiSpeedTest.net that measured thousands of tests around the state. DCCA also completed the State Broadband Strategic Plan with its relationships to state, federal, county, and private agencies. DCCA also provided funding to roll out a program in partnership with the Hawaii State Public Library System that enabled the purchase of 260 netbook computers. The computers are available at the 37 library branches around the state. It gives users the opportunity to be hands on with technology that employs broadband cellular access. It is helping to expose segments of the population that are not yet familiar with such technology in order to the equipment and broadband online experience.

Protecting Hawaii Consumers. The Office of Consumer Protection (OCP) obtained significant consumer relief for Hawaii's consumers, including major fines and penalties for violators of Hawaii's consumer protection laws. Since 2011, these include recovery of \$ 7.2 million in fines and penalties from pharmaceutical companies such as Pfizer and Glaxo-SmithKline and other companies such as Google and Sketchers. OCP also helped to pass new legislation designed at protecting Hawaii's consumers in foreclosure and mortgage rescue fraud to keep exploiters away from distressed homeowners. Another law change the office helped usher through was the assigning of authority to OCP to help protect military families from predatory payday lending practices.

Negotiating Utility Improvements for Lanai Residents. The Division of Consumer Advocacy worked with new Lanai owner Larry Ellison to secure an agreement of \$10 million in infrastructure improvements over five years. The agreement also ensured that no ratepayers would have to pay for the improvements. The complex deal was worked out in a short period because of the sale of the island and the three utilities (Lanai Water Co., Inc., for potable water; Manele Water Resources, LLC, for sewer treatment; and Lanai Transportation Services Co., Inc., which provides bus transport between hotels and airport).

Joint Taskforce on Unlicensed Activities. DCCA joined the Attorney General's Office of Consumer Protection, Department of Taxation, Department of Labor and Industrial Relations and county prosecutor offices for the Unlicensed Contractor Law Enforcement Task Force. The Administration's departments collaborated on strategy for civil and criminal enforcement. The taskforce met to identify areas of concern and how to best conduct enforcement action. The developments led to teams conducting joint operations against unlicensed contractors.

Approval of Hawaiian Telcom Cable Franchise. DCCA approved a cable franchise for Hawaiian Telcom on Oahu in 2011. This expands the choice for consumers as they had been locked into a single choice for decades. The department's approval process gives companies the opportunity to open up an industry that has been unable to lure new players. The competition will give consumers more choice and access to different levels of service.

Captive Insurance. Hawaii is one of the top captive insurance markets in the country. In the past year, the Captive Insurance Branch attracted 17 new captives and wrote more than \$2.8 billion in combined total gross premiums for 2013. Bringing those companies to our shores means millions of dollars in taxes, high-paying jobs, and raises our profile in order to appeal to more companies. Hawaii ranks fourth in the country and 11th in the world.

Educating Consumers. One of the essential missions of DCCA is its outreach and public education efforts. DCCA:

- Reached thousands of people with the Hoomalu publication in the March Honolulu Magazine and Hawaii Business Magazine, designed to inform the public about where to go for help.
- Attended more than 125 events in FY 2013 that reached about 240,750 people. The number of residents reached has grown over the years to ensure that our population is aware of the dangers in scams and fraud and what is available to the public in the way of services.
- Launched social media accounts: Four Facebook, five Twitter, two Google+ and one Instagram in order to reach a growing audience on those platforms.
- Conducted PSAs focusing on educating the public about foreclosure issues, particularly the importance of communicating with their lender and being wary of scam artists who prey upon the vulnerable by promising to help them with their mortgage trouble. The PSAs aired on all commercial broadcast channels, cable TV and radio around the state reaching tens of thousands of people. Published annual homeowners and automobile premium comparison guides to give consumers a better idea of whether or not they are overpaying or underinsured when it comes to these policies.

INS Connector. The Insurance Division worked extensively with Hawaii health plan issuers to create compliance under the extensive Affordable Care Act (ACA) and helped to secure grants and provide the framework for the Hawaii Health Connector to get up and running. The Insurance Division also oversaw and approved the 95 plans and more than 200 variations for the Connector, more than 500 percent increase over previous years. The division also worked closely with the Department of Labor and Industrial Relations to integrate ACA and Hawaii's Prepaid Health Care Act.

Federal Grant Awards. The Insurance Division applied for and was awarded five federal grants. Two of the grants were Hawaii Health Connector related, two were concerned with the review of health insurers' rate filings, and one grant, the most recent, to address a health all claims database which would collect data and identify the cost drivers impacting healthcare costs. This would assist in the developing of programs to address health care cost drivers with the goal of reducing the upward trend of healthcare costs.

Accreditation. The Division of Financial Institutions (DFI) completed accreditation after years of delays by the previous administration. These delays placed Hawaii in the dangerous position of being the first state to lose its accreditation. The Abercrombie Administration made accreditation a priority. DFI's team worked tirelessly to complete the requirements. DFI is in charge of regulating Hawaii's banking, mortgage originators, money transmitters, and escrow depositors.

Defense (DEF)

Asia Pacific Economic Cooperation (APEC) Conference. In November 2011, DEF played a major role in the planning of security and implementation of a successful APEC conference. With that success, the state reinforced the fact that Hawaii has become a regional crossroad and can provide a safe, secure, and first-class setting for international conferences.

Hawaii Network of Care Website. In partnership with the Hawaii Department of Health and DEF, the Office of Veterans' Services implemented the Hawaii Network of Care Website. The website went online on August 7, 2012, and continues to be a "one-stop-shop" providing interactive services and support to military members, veterans, and their families.

Hawaii National Guard Hosted the 2013 National Guard of the United States Association (NGAUS) Conference. In August 2013, the Hawaii National Guard hosted the 2013 NGAUS conference. More than 3,500 association members and their families attended the conference to hear military and civilian leaders discuss topics affecting the National Guard. Governor Abercrombie's speech on the importance of the National Guard received a standing ovation. The economic impact to the state was very positive as members arrived earlier or stayed later and visited many of the neighbor islands. The Hawaii National Guard planned and ran the conference with volunteers.

Office of Homeland Security. Sponsored legislation in 2013 that successfully established the Office of Homeland Security for the State of Hawaii. This key legislation will help the state strengthen its focus and concentration on securing the State of Hawaii from all threats, internal and external. Placing the State Fusion Center under this office was key to establishing the sharing of information, analysis, and developing products across the state as well as nationally. The Homeland Security Office is now working with many partners in the state to look at our critical infrastructure and their interdependencies so we can put resources to secure them.

Cyber Security. In 2013, DEF was instrumental in developing the state's first cyber range and an expanded cyber exercise in partnership with the University of Hawaii. It brought together public, private, federal, state, and local partners to begin discussions on cyber security in the State of Hawaii. This initiative has resulted in increased awareness, more collaboration, and expanded efforts by all partners to help make the state more resilient to cyber-attacks.

Youth Challenge Program. The Youth Challenge Program continues to provide an educational alternative to young adults who dropped out of conventional schools. Since 2011, the Youth Challenge Academy (YCA) graduated 854 cadets from their Kalaeloa and Kulani campuses. High school diplomas were presented to 649 cadets who completed the prerequisite courses. We have incorporated robotics as well as cyber games into the program. Youth Challenge graduates have gone on to higher education, vocational training programs, and the military. We are currently working with Kamehameha Schools to use some of their programs to improve the way we continue to help our graduates once they graduate from the YCA program.

Capital Improvement Projects and Construction. Since 2011, the State Department of Defense oversaw \$220.5 million in capital improvement projects and military construction. These construction projects upgraded National Guard facilities that incorporated environmental and energy-saving features. The new 199th Fighter Squadron facility is designed as LEED Platinum certified. Hawaii also saw the beddown of the only F-22 squadron that is stationed outside of the continental United States.

Statewide Response to Japanese Tsunami. State Civil Defense coordinated a statewide response to the March 2011 Japanese tsunami. The evacuations of inundation zones were effective and timely. On April 8, 2011, President Obama approved the Governor's request for federal assistance to repair public infrastructure. To date, the Federal Emergency Management Agency (FEMA) has approved 68 projects estimated at \$7.9 million.

Hawaii Hazards Awareness and Resiliency Program (HHARP). In 2013, State Civil Defense developed the HHARP. The program will enable communities in Hawaii to adopt and become more resilient to natural and manmade disasters. This tool was developed just as FEMA and the federal government are changing the way they support states by focusing on regions and communities to be more proactive in their own resiliency against natural and man-made disasters.

Education (DOE)

Test Score Improvements. Hawaii was the only state to experience across-the-board increases in the National Assessment of Educational Progress (NAEP) scores in the last administration.

NAEP 2013 Mathematics Results - Grade Four

- The average scale score for Hawaii's fourth grade mathematics increased from 239 to 243 between 2011 and 2013. In comparison, the national average increased from 240 to 241.
- In 2013, the percentage of fourth graders scoring at or above proficiency in math was 9.26 percentage points greater than in 2009, a 25 percent increase.
- 83 percent of Hawaii's fourth grade students were at or above Basic level, a full percentage point above the average for public schools nationally. Forty-six percent were at or above Proficient level, 4.67 percentage points above the national average. The percentage of Hawaii

fourth graders achieving the Advanced level (8.8 percent) also exceeded public schools nationally by more than a percentage point.

- The percentage of Hawaii students achieving at or above proficient equaled or exceeded every state except Minnesota, New Hampshire, Massachusetts, Indiana, Vermont, and Colorado.

NAEP 2013 Mathematics Results – Grade Eight

- Hawaii's average scale score for eighth grade mathematics increased from 278 to 281 between 2011 and 2013. In comparison, the national average increased by one point to 284
- In 2013, the percentage of eighth graders scoring at or above Proficiency in math was seven percentage points greater than in 2009, a 28 percent increase
- The percentage of Hawaii's eighth grade students who achieved Basic or above was 72 percent, compared to 73 percent among public school students nationally
- The percentage of Hawaii's eighth grade students who achieved Proficient or above was 32.33 percent, up 2.32 percentage points from 2011, and a number statistically comparable to the 34.44 national public school percentage
- The percentage of Hawaii eighth graders achieving Advanced was 7.27, more than a percentage point gain from 2011 and a percentage point below the national average.

In mathematics, for both grade four and grade eight, Hawaii's scores were higher than in any previous year, as was Hawaii's position in comparison to other states.

NAEP 2013 Reading Results – Grade Four

- The average scale score for Hawaii (214.84) was slightly more than a point above its 213.61 score in 2011. The national gain was slightly less than a point, rising from 220.03 to 220.67.
- In 2013, fourth graders scoring at or above proficiency increased four percentage points from 2009, a 16 percent increase.
- The percentage of Hawaii students achieving Proficient increased from 27.16 percent to 29.77 percent, while there was slightly under a two percentage-point gain for public schools nationally, rising to 34 percent.
- Hawaii experienced a two percentage-point gain in the percentage of students achieving Basic (61.61) while public schools nationally advanced slightly under a percentage point, rising to 67 percent.
- Hawaii ranks 11th nationally in average scale score gains since 2003.

NAEP 2013 Reading Results - Grade 8

- Nationally, public schools across the board made significant gains for most metrics in 8th grade reading.
- Hawaii's gain of almost three points (from 257.19 to 259.96) exceeded the national gain from 263.59 to 266.02.
- In 2013, the percentage of eighth graders scoring at or above proficiency in reading was four percentage points greater than in 2009, a 30 percent increase.
- The percentage of proficient Hawaii students increased from 26 percent to more than 28. Hawaii also experienced a three percentage-point gain in the percentage of students achieving basic

(71.28 percent) while public schools nationally advanced two percentage points to 76.63 percent.

- Hawaii ranks fifth nationally in average scale score gains since 2003.
- Achievement gaps between high-needs and non-high-needs students have narrowed 19 percent in the last two years.

Summer Reading Program. Experienced 19 percent growth in Summer Reading Program participation since 2010.

College and Career Preparedness. Students are better prepared for college and career:

- 1,247 more students took Advanced Placement (AP) exams last year than in 2010, an increase of 36 percent.
- Seven percent increase in the graduation rate over the past three years, meaning that 809 more students graduated in 2012 than in 2010.
- The class of 2011 enrolled in college at a rate three percent higher than the class of 2010 when measured 16 months from completing high school.
- Fewer of Hawaii students entering college required remediation, as evidenced by the 14 percent decline of the remediation rates in English for Department of Education (DOE) students entering the University of Hawaii (UH) over the last three years.

Zones of School (ZSI) Improvement. Efforts in the ZSI are paying off. In 2011, 12 of 18 ZSI schools were in federal restructuring status. Most recently, in our new Strive HI index, all but three have moved into the Continuous Improvement category that denotes minimal need for intervention.

Governor's Executive Office on Early Learning (EOEL)

Executive Office on Early Learning. Execution of the mandate of the Legislature and vision of the Governor for a government-wide authority to guide the development of a comprehensive and integrated statewide early childhood development and learning system.

Access to Prekindergarten. EOEL helped statutorily establish and expand the investment the State has made in providing school readiness opportunities for four-year-olds, a significant step toward transforming early childhood education in Hawaii and ensuring that all keiki have access to prekindergarten opportunities. Includes the expansion of the Preschool Open Doors Program and the establishment of prekindergarten classrooms on some public elementary school campuses around the state beginning the 2014-2015 school year through a collaboration between EOEL and DOE. With the DOE-EOEL Prekindergarten Program, Hawaii finally joins the vast majority of other states with state-funded prekindergarten.

Hawaii Early Learning and Development Standards. The Hawaii Early Learning and Development Standards identify the expectations of knowledge and behavior for children from birth through kindergarten entry. This is the first set of standards developed for the early childhood field that aligns with the Hawaii Department of Education and the Common Core State Standards, allowing for a smoother transition for students across the entire educational pipeline.

National Governors Association (NGA) Awards. EOEL helped secure two awards from the NGA to conduct work that addresses healthy birth outcomes and the appropriate use of child formative assessments from early childhood through third grade. Hawaii is one of only six states to participate in this joint effort to improve early learning outcomes. EOEL is coordinating teams that consist of state departments and private agencies.

Early Learning Financing. EOEL secured private commitment to finance the creation of a comprehensive early childhood agenda that addresses the whole child and is developed in partnership with public and private stakeholders statewide.

Early Learning Advisory Board; Statewide Action Strategy. EOEL brought state departments and private entities together to discuss and provide input about early childhood policies in an effort to break down traditional silos and create horizontal and vertical alignment across programs that affect young children and their families. This was accomplished through the Early Learning Advisory Board and the statewide Action Strategy work.

Family Partnership Guidelines. EOEL developed guidelines to assist practitioners, programs, and schools that serve children from birth to third grade in their endeavors to build partnerships with families. Recognizes that children develop and learn best in the context of a supportive family and that families play a pivotal role in shaping their children's healthy development and lifelong learning.

Governor's Office on Healthcare Transformation

Leadership in Implementing ACA. The Healthcare Transformation Office successfully coordinated Patient Protection and Affordable Care Act (ACA) implementation responsibilities across a number of departments including the departments of Human Services, Health, Commerce and Consumer Affairs, Labor and Industrial Relations, Attorney General, and OIMT. These responsibilities ranged from ensuring the preservation of the Hawaii Prepaid Health Care Act, preparing for Medicaid expansion, choosing an essential health benefit array for Hawaii's health plans, to ensuring that insurance regulations were aligned with the ACA and facilitating integration of the state-based insurance exchange IT system with the State's IT system. This work was essential for ensuring coordination necessary to launch Hawaii's Health Connector, created by statute as a private non-profit corporation, as Hawaii's health insurance exchange.

Leadership in Transforming Healthcare in Hawaii. The Healthcare Transformation Office was awarded a \$1 million planning grant from the Center for Medicare and Medicaid Innovation and is working with a broad coalition of public and private stakeholders to develop a process and high-level plan for healthcare transformation. This plan addresses many items in the New Day Plan for health including:

- Building on every federal healthcare reform opportunity for Hawaii
- Expanding community health centers
- Addressing the physician shortage
- Expanding the use of information technology in healthcare

- Supporting patient-centered models of care that focus on prevention and address social determinants of health
- Leading a multi-faceted task force to develop a system of universal healthcare

Passed Act 224. Act 224 was passed in 2013 and granted authority to the Governor's Healthcare Transformation Office to convene stakeholders to work on system improvements. In 2014, the Governor's Office of Healthcare Transformation also worked with our stakeholders to pass legislation to support telehealth, dental benefits, and improved care coordination for patients with complex illnesses.

Secured Funding. Private and federal funds and services amounting to \$5 million was secured to support transformation, including a federal grant to start building a database of health information to guide future plans and progress.

State Healthcare Innovation Plan. Created Hawaii's first *State Healthcare Innovation Plan*.

Hawaiian Home Lands (DHHL)

Kalaeloa Solar II. In service since December 2012, this five megawatt solar farm project supplies clean, renewable energy for Hawaii and helps Native Hawaiian beneficiaries by providing DHHL with much-needed revenue to continue its mission of returning Native Hawaiians to the land. According to estimates provided by the U.S. Environmental Protection Agency, the solar farm will produce enough renewable power to avoid almost 9,500 tons of carbon dioxide emissions per year, equivalent to eliminating the consumption of approximately 400,000 barrels of oil over the 20-year term of the power purchase agreement.

Kaupuni Village. Kaupuni Village is the First LEED Platinum Net Zero Green Project in the State of Hawaii, built on Hawaiian Home Lands, Waianae, Oahu. Designed to have no electricity costs, this unique 18-unit subdivision in Waianae Valley was designed with a blend of the newest energy technology and traditional Hawaiian practices to support a self-sufficient and sustainable lifestyle. All homes include energy-efficient features such as solar water heating, photovoltaic panels to generate electricity, and energy-efficient lighting and appliances. This subdivision is designed for families that are 80 percent and below the Area Median Income for the island of Oahu.

Anahola Solar Project (Kauai Island Utility Cooperative - KIUC). Ground breaking and construction for this \$54 million solar array, substation and battery energy storage system will commence June 26, 2014. Anticipated to be in operation by early 2015, the project will generate electricity at nearly half the cost per kilowatt hour; reducing the cooperative's dependence on oil by 1.7 million gallons a year. The project will provide five percent of Kauai's annual energy needs or enough electricity for 4,000 homes. In addition to lease payments to DHHL, the contract calls for ownership of the solar array to transfer to DHHL after 25 years. The agency could then negotiate an agreement to sell electricity to KIUC or could potentially convert the facility to a micro-grid that would provide power to beneficiaries in the Anahola region. Construction will employ about 150 workers with an effort by the contractor to hire qualified Kauai residents.

Ka Pua Initiative/Kamehameha Community Learning Center in Maili, Oahu. Kamehameha Schools, in collaboration with DHHL and other community organizations, will open an Early Childhood

Education complex in August 2014 on DHHL land that will include preschool classrooms (expanding preschool capacity on the coast by 25 percent), an infant-toddler care center and a kauhale for other early childhood education and administrative support facilities to bring multiple groups together so we can all work better with one another to serve keiki and families on the Waianae Coast.

Health (DOH)

Addressed Health Disparities.

- Rebuilt and restored essential mental health and substance abuse service.
- Implemented new evidence-based integrated models of care for Hawaii's most vulnerable and fragile residents; partnered with the Department of Defense and Hawaii Air National Guard to deliver free primary and specialty care to rural and Neighbor Island communities.
- Published the first statewide community health needs assessment in more than 10 years in cooperation with the U.S. Federal Reserve Bank and the private healthcare sector.
- Established at least one Level III Trauma Center on each of the major islands, reducing the need to transport neighbor islands residents to Oahu.

Adopted "Complete Streets" Policies to Promote Healthy Neighborhoods. DOH established the State's first Bike Share Program based on the Complete Streets Concept. The department facilitated over 25 county planning, public works, and community meetings on important "Health in All Policies" concepts that align transportation and zoning policy with public health goals.

Disease Prevention. DOH identified, isolated, and mitigated *Aedes aegypti* mosquito to control and prevent a Dengue fever outbreak and conducted aggressive public outreach to minimize household and neighborhood breeding grounds. The department championed Act 250, SLH 2013, which enables patients diagnosed with STDs to convey prescription medication to their partners to break the cycle of transmission.

Disaster Response; Molasses; Pesticides. DOH spearheaded Honolulu Harbor molasses spill recovery efforts and scientific inquiry with the assistance of several state and federal agencies. The department discovered, removed, and cleaned up toxic soil from a formerly undocumented contaminated pesticide storage area site. DOT increased shoreline radiation surveillance in response to the Tohoku earthquake and nuclear disaster, and partnered with local neighborhoods and community groups to clean up tsunami-related marine debris.

Assured a Clean and Sustainable Natural Environment. DOH promulgated new shellfish industry regulations to bring back shellfishing to the State; planted more than 600 endemic plants as part of a community-wide native species restoration project with the private sector and federal government; and implemented the Hawaii Environmental Health Data Warehouse, a Geographic Information Systems-based online system to track environmental health, some in real time.

Improved and Streamlined Government Services. DOH reduced, from months to weeks, the execution time of contracts for goods and services with a home-built computer application. In partnership with the visitor industry, the department expanded the number of marriage license and civil

union agents and locations to enhance their Hawaii experience. DOH converted over 30 paper-based permit processes to an online e-permitting system saving businesses valuable time, including restaurant inspections.

Protecting Hawaii's Keiki. DOH advocated for Hawaii's universal seatbelt law, Act 73, SLH 2013, in partnership with the Department of Transportation, which closed the gap between front seat and back seat (often children or the elderly), seatbelt use in cars.

Tropic Care Kauai 2012 and 2014. DOH coordinated with the Department of Defense to execute Innovative Readiness Training (IRT) exercises on Kauai using medical professionals serving the U.S. Military Reserves. The services provide real world deployment and readiness training opportunities to military members and units while helping local, underserved populations by providing free health services. The exercise provided free medical, dental, and vision services to Kauai residents. Tropic Care provided more than \$1 million worth of medical services to more than 1,600 island residents when it visited in 2012. In 2014, serviced more than 9,000 patients and included more than 22,000 discrete services/procedures and 5,000 pairs of glasses.

Executive Office on Aging (EOA)

Helping Kupuna Stay at Home for as Long as Possible.

- Provided funds to continue healthy aging programs (Chronic Disease Self-Management Program and Enhanced Fitness) to prevent and delay the need for long term support and services. These programs have demonstrated decreased visits to physician offices, emergency rooms, and hospitals; increased days spent performing physical activities by 26 percent; and reduced falls by 28 percent.
- Implemented the Community Living Program (CLP), which assists individuals who are at risk of nursing home placement and/or spending down their savings and financial resources, to receive home and community-based services that will enable them to continue to live in the community.

Guiding Kupuna and Their Families with Options for Long-Term Care Planning. A comprehensive individualized support plan has been developed to inform the older adults about their options for existing long-term services and support options, planning ahead for their long-term care, selecting and managing participant-directed services and supports, Medicare benefits and options, and other services and benefits.

Aging and Disability Resource Centers. Governor Abercrombie asked for, and the Legislature appropriated, \$1.4 million for the development of Hawaii's Aging and Disability Resource Centers (ADRC). The ADRC helps older adults, individuals with disabilities, and family caregivers find options for long-term care and support services available to them in the State of Hawaii. The ADRC helps kupuna find out if they are eligible for government paid programs and helps find them providers. The ADRC can also help kupuna plan for future long-term care needs. This assistance is provided by the State and Counties at no cost to the resident.

Helping Kupuna Who Live with Memory Loss.

- Established an Alzheimer's Disease and Related Dementias Coordinator position to focus on memory loss issues.
- Established an Alzheimer's Disease and Related Dementias Task Force to develop a Hawaii State Plan on Alzheimer's Disease and Related Dementias.

Preventing Falls Among Older Adults. DOH established a Statewide Task Force on Falls Prevention with participation from a multidisciplinary team of professionals to develop the Hawaii Falls Prevention State Plan as a guide to strengthen and strategically focus fall prevention efforts in Hawaii.

Hospice and Palliative Care Services. The department partnered with Kokua Mau, a statewide hospice and palliative care organization, to update and publish educational brochures such as Advance Directives.

Senior Centers. DOH provided funds for ongoing services at multiple senior centers in Honolulu (Moiliili, Waikiki, and Lanakila).

Expanding the State's Capacity to Provide More Services for Our Kupuna. In 2013, Governor Abercrombie increased EOA's budget by 75 percent. The State Executive Office on Aging provides policy and program development to build a system of supports for seniors and their family caregivers, so older adults at risk of nursing home placement may live in their own home for as long as possible.

Strategic Planning for the Aging Network. DOA commissioned EOA's strategic plan to guide the state and its aging network through a dynamic era of landmark legislation, national and state system changes, and the arrival of the "aging tsunami."

Recipient of National Awards. EOA was the recipient of the Award for Excellence in Multicultural Aging by the American Society on Aging for the Healthy Aging Partnership Program. EOA's Senior Medicare Patrol Program received the Koa Hammer Award by the Public Relations Society of America for our television public service announcements on preventing and detecting Medicare fraud and abuse.

State of Acting Aging. Recognizing the power and potential of older adults and boomers to pursue and promote successful aging, EOA developed a report to create the foundation for reshaping state policy on aging, thus positioning Hawaii to transition into a State of Active Aging.

Human Services (DHS)

Serious Mental Illness. The Med-QUEST Division created a unified and coordinated system of care for its clients with serious mental illness (SMI) and oversaw the seamless transition of services for individuals with SMI from the Department of Health Adult Mental Health Division to the DHS Med-QUEST Division in 2014. They also expanded services to include for clients with SMI to include supportive housing, supportive employment, and peer-to-peer specialists and leveraged new federal funds to support day programming.

Compassionate Care. DHS championed the emergency contraception law, which requires all hospital-based emergency rooms to offer medically and factually unbiased information about and access to emergency contraception to victims of sexual assault. For 17 years, advocates have been working to ensure that victims of sexual assault are provided emergency contraception, which is the most widely recognized and accepted standard of care for sexual assault patients.

Young Adult Voluntary Foster Care Program. Invested in Hawaii's young adults by establishing the Young Adult Voluntary Foster Care program, which extends support to foster youth until age 21. This extended care will help youth transition to adulthood and become self-sufficient. Those who continue to receive services until age 21 have better outcomes in several areas, including educational achievement and employment, thereby contributing to a more stable workforce and increased lifetime earnings. Increased support for transitioning youth facilitates their continued development and preparation for successful independence, decreasing homelessness, dependency on public welfare benefits, drug dependency, and incarceration.

School Readiness for Our Keiki. The School Readiness program assists families in preparing their children for success in school. The Benefit, Employment and Support Services Division (BESSD) has established the program for eligible low- to moderate- income 4 year-olds through the Preschool Open Doors Program (POD) in collaboration with the Governor's Executive Office on Early Learning (EOEL). The POD program received 1,793 applications for the 2014-15 school year – the highest number of applications in the past five years.

The DHS continues to license Head Start Programs as childcare centers. Functions of the Head Start Collaboration Office have been transferred from the DHS to the EOEL in accordance with HRS 302L-1.5(e), under Act 178 of Session Laws Hawaii, 2012.

The Center for Deaf and Hard of Hearing and Creating Community. In October 2013, the Division of Vocational Rehabilitation (DVR) opened the State's first comprehensive services center for deaf, hard of hearing and deaf-blind persons. The Center serves as a one-stop shop that offers an array of services, such as basic English, math, ASL for native signers, social skills and technology, job services, and conference rooms for community organizations. To date, the facility has served nearly 300 individuals

Temporary Assistance for Needy Families (TANF). DHS introduced and helped pass legislation in 2013 to eliminate the asset limit for the TANF program. The modification supports and encourages families on public assistance to save and explore potential asset building options that would help end their reliance on public assistance.

Homelessness. To reduce homelessness through collaboration and innovation, the Governor's Homeless Coordinator convenes the Hawai'i Interagency Council on Homelessness (HICH) ensuring integration and coordination of services between the State, the Counties, non-profit providers and our federal partners at Housing and Urban Development (HUD) and the Veterans Affairs (VA). The HICH approach is best summarized by the phrase "all hands on deck." It recognizes that to end and prevent homelessness the approach requires a cross system, multi-dimensional, public private partnership that is as broad in scope and interrelated as the complexity of the causes of homelessness.

In September, 2012, the Council adopted its Plan to End Homelessness, modeled after the US Interagency Council on Homelessness plan. The plan and working committees are organized around the following priorities:

- Retooling the Homeless Crisis Response System;
- Increasing Access to Stable and Affordable Housing;
- Increasing Economic Stability and Self-sufficiency; and
- Improving Health and Stability.

As part of the “retooling of the response system” in February 2014 HICH hosted a public training and training of providers by Dr. Sam Tsemberis “Housing First: The Pathways Model to End Chronic Homelessness for People with Mental Health and Substance Use Disorders.” The DHS Homeless Programs Office (HPO) works closely with the Governor’s Coordinator on this initiative, which is supported by a SAMHSA grant awarded to the Department of Health.

In 2014, the DHS was successful with its legislative budget request for \$1,500,000 for Housing First. The legislature also appropriated \$662,295 to the Hawaii Public Housing Authority (HPHA), and the HPHA was able to leverage \$40,056,369 in additional federal funds that included additional funds for Section 8 vouchers.

During FY 2013, 13,639 individuals received Shelter and Outreach Program services through the DHS Homeless Program Office (HPO) provider network.

In collaboration with counties and their service providers, the HPO participates in the annual Homeless Point-in-Time Survey. State, County and county agencies use the survey day/week to help determine demographics of the State’s homeless population and to guide and better coordinate the implementation of appropriate programs and services.

KOLEA; Medicaid Electronic Health Record Incentive Program. The Med-QUEST Division (MQD) developed and implemented a new Medicaid on-line eligibility system that is transforming access to Medicaid. The MQD worked tirelessly to successfully meet the October 1, 2013 national start date. Since coming on-line, the MQD has successfully processed more than 100,000 applications for medical assistance.

Affordable Care Act. On October 1, 2013, Hawaii was one of the first states to implement the Medicaid expansion as provided for by the federal Affordable Care Act (ACA). Between October 2013 and April 2014, the MQD made 107,963 determinations of eligibility and 51,315 determinations of ineligibility for medical assistance. The net effect on enrollment was an increase from 284,532 at the end of September to 314,368 at the end of April. The highest month end enrollment was in March with 320,567 beneficiaries.

Former Foster Youth; Medicaid Coverage. Hawaii was the first state to expand Medicaid coverage to former foster youth who age out of the foster care system. Under ACA, Medicaid coverage was further expanded to include all former foster youth up to age 26, with no income limit requirements.

Hospital and Nursing Facility Sustainability. The DHS leveraged an additional \$42 million in federal funds for hospitals and \$10M for long-term care facilities through the Hospital and Nursing Facility Sustainability programs. Hawaii residents benefit by having more sustainable hospitals and long-term care facilities ensuring increased access to necessary medical care. SB 2057 (2014) continues the Nursing Facility Sustainability Program by extending the sunset date of the act, updating the referral dates in the statute, and appropriating \$12,000,000 in special funding for FY 2014-2015.

Medicaid Reimbursement. The DHS also leveraged federal funding of \$44 million for FY 2014 and \$35 million in FY 2015, to increase the reimbursement levels for Hawaii's primary care providers who provide services to Medicaid patients.

Protecting Vulnerable Adults. The DHS introduced and championed legislation that requires financial institutions to report suspected financial abuse of elders to county police and the DHS Adult Protective and Community Services Branch (APCSB).

Since 2010 there has been a 5 percent reduction in the re-abuse rate of vulnerable adults.

Sex and Labor Trafficking. The DHS introduced and championed legislation that protects child victims of sex and labor trafficking within the scope of the Child Protective Act HRS 350-1. The legislation will heighten awareness and support for child victims of sexual exploitation or labor trafficking and promote prevention, early identification, intervention, and services to address the needs of trafficked children.

Supplemental Nutrition Assistance Program (SNAP). DHS, the DOH and the University of Hawaii Cooperative Extension Services (UH-CES), collaborated to provide guidance, training and technical assistance to community agencies participating in Farmers' Markets.

SNAP funds were also utilized to permit the processing of EBT payments at Farmers' Markets. This option encourages SNAP participants to choose healthy foods and promotes local farmers, the economy, and protects the environment.

SNAP Eligibility Determination. The DHS continues to improve its eligibility determination timeliness rates for both SNAP and Medicaid benefits. When Governor Abercrombie first came into office, statewide processing timeliness averages for SNAP benefits were at 66 percent, and more than 5,000 Medicaid applications had not been reviewed in a timely manner.

Today, our Medicaid processing timeliness rate approaches 100 percent and the statewide SNAP timeliness rate is 96.1 percent. In recognition of SNAP eligibility determination successes, this program recently received a federal bonus award of more than \$700,000 to increase access to benefits.

Leveraging Funding Streams. Between Fiscal Years (FY) 2012 and 2015 the DHS will have increased its federal revenues by 21 percent. In FY 2012 the DHS received federal funds to support its programs and operations for vulnerable populations in the amount of \$1.2 billion. In FY 2015, federal funds will increase to \$1.5 billion.

Transforming Government. Developed and implemented a long-term strategy for an integrated IT system (KOLEA) to replace DHS' 25 year-old legacy IT systems, building upon and maximizing all available matching federal funds. The Med-QUEST Division (MQD) successfully launched Phase I of the KOLEA project on October 1, 2013. Over the next two years the KOLEA platform will be extended to DHS' Social Services and Benefits Employment and Support Services Divisions. KOLEA will allow DHS to provide improved and integrated services to Hawaii's beneficiaries across DHS Divisions and facilitate the seamless flow of information within and without the Department. While ensuring security, KOLEA also will improve timeliness and accuracy of services and minimize duplication of effort and expenditures.

Developed and implemented a monitoring system to track payments to DHS' vendors, significantly improving timely payments.

Implemented the Limited English Proficiency (LEP) Project to advance the DHS' compliance with federal and state law to provide timely and meaningful access to services for limited English proficient beneficiaries, including the translation of DHS' vital documents. The services provided by the LEP Project also played a key role in the dissolution of the 2008 Monitoring Resolution Agreement between the Civil Rights Office for the U.S. Department of Health and Human Services and the DHS.

Created and published the annual DHS Data Book to provide useful statistical information on DHS programs and populations served to social service providers, legislators, and students for reports, grant applications, and other purposes.

Improved Timeliness of Services. The DHS continues to improve its eligibility determination timeliness rates for both SNAP (formerly known as Food Stamps) and Medicaid benefits. When Governor Abercrombie first came into office, statewide processing timeliness averages for SNAP benefits were at 66 percent, and more than 5,000 Medicaid applications had not been reviewed in a timely manner. Today, our Medicaid processing timeliness rate approaches 100 percent and the statewide SNAP timeliness rate is 97.4 percent.

In recognition of its improved timeliness rates, the SNAP program recently received a federal bonus award of \$724,139.

The Division of Vocational Rehabilitation (DVR) Services reduced its waitlist for vocational services from 3,884 individuals in 2010 to 147 individuals in FY 2014. In 2013, the DVR provided services to 5,417 individuals.

Domestic Violence Services. In fiscal years FY 2011-2014, the DHS increased funding for domestic violence shelters providing more than \$10.8 million for these critical services. During the same period \$1.1 million was provided for Teen Dating Violence Education and Prevention; \$1.9 million for DV survivor/child and batterer services; and \$300,000 in new funding for legal services for victims in DV shelters and immigrants experiencing DV. The DHS also simplified DV shelter reporting procedures.

Child Safety and Well-Being. Hawaii ranked first in the nation in 2012 and 2013 for having the highest percentage of children/youth in foster care placed with relatives.

Since 2010 there has been:

- An 18 percent reduction in the number of children entering foster care as a result of the DHS' successful family strengthening services and diversion programs;
- A 1.4 percent decrease in the re-abuse rates for children. Hawaii's 2013 re-abuse rate of 1.4 percent is substantially below the national average of 6.1 percent.
- A 30 percent increase in the number of foster youth attending post-secondary education programs at an accredited institution of higher education.

The DHS requested and the Legislature passed a \$100 per annum (or 20 percent increase) in the clothing allowance for all children in foster care as well as young adults participating in the Voluntary Care to 21 program.

The Legislature approved the DHS' request for increased foster board payments resulting in an increase of 8 percent for children 0-5 years old; 21 percent for children 6-11 years old; and 26 percent for children 12 and older. The Child Welfare Services Branch worked with its community partners to research and analyze best practices and to collaboratively develop the rate structure and methodology for the increased foster board payment rates.

The Child Welfare Services Branch developed and implemented a Family Journal tool to help birth families organize case records and maintain contact with child welfare services providers. The Family Journal contains information to assist parents with case planning. Staged implementation of the Family Journal began on Maui and is being expanded to other locales.

The DHS Child Welfare Services Branch invested in Hawaii's young adults by establishing the Young Adult Voluntary Foster Care program, which extends support to foster youth until age 21. Voluntary extended care will help youth transition to adulthood, decrease homelessness, dependency on public welfare benefits, and reduce incarceration and drug dependency rates.

Women and Girls. The Hawaii State Commission on the Status of Women (HSCSW) has elevated community awareness on the status on women and girls and forged strong partnerships with the community, advocates, policy makers and direct service providers on issues related to pay equity, violence against women, workplace flexibility, and the emerging movement to ratify the Equal Rights Amendment.

The HSCSW coordinated a strategic meeting with the United Nations (UN) Violence Against Women Programmer Specialist for the Pacific region in 2014, which resulted in advocates, policy makers and direct service providers meeting and discussing emerging trends throughout the Pacific region.

The HSCSW Oahu Commissioner Carmille Lim was elected to the National Association of Commissions Board. The national board's legislative priorities include economic and educational equity, improved access to and the elimination of barriers to health care and reproductive health services, and the development of programs and strategies to end violence against women in their homes, schools and their workplaces.

The Hawaii State Commission on the Status of Women advocated for and collaborated with community organizations and State departments for the successful passes of the following bills: Emergency Contraception for Sexual Assault (Compassionate Care); Relating to Parental Rights of Convicted Rapists that prohibits family courts from awarding custody of, or visitation with, a child to a natural parent who has been convicted of rape or sexual assault that resulted in the child's conception; Minimum Wage; and the Domestic Workers' Rights bill.

Choose Healthy Now Initiative. The DVR Hoopono Services for Blind Business Enterprise Program partnered with the Department of Health to launch the *Choose Healthy Now* project in eight government vending sites on Oahu. The project promotes healthy food choices with stickers and print materials that identify healthy products available at the vendor sites.

General Assistance and Social Security Income. The Legislature approved a DHS budget request of \$500,000 to continue legal services to assist clients to apply for social security benefits. These legal services help disabled persons to transition from State funded programs to federally funded programs that also provide a higher monthly benefit amount. As a result of assistance to qualifying individuals, in FY 2013, the Social Security Administration reimbursed the State \$1.6 million for state-funded interim aid to disabled clients.

National Recognition. The Commonwealth Fund Scorecard on State Health System Performance ranked Hawaii's healthcare for low-income residents as the best in the nation based on 30 indicators within four dimensions. According to Low-Income Populations Scorecard, Hawaii ranks in the top quartile for three of four system dimensions – Access to Affordability, Potentially Avoidable Hospital Use, and Healthy Lives.

Med-QUEST Division (MQD)

Administration:

- Overcoming a 47 percent decrease in staffing capacity from prolonged hiring freeze and reduction in force
- 65 Hawaii Administrative Rules chapters new, revised, or deleted to comply with ACA
- Five-year renewal of Section 1115 demonstration waiver; ACA early adopter

Benefits:

- Expanded benefits from limited to full for more than 10,000 individuals
- Expanded specialized behavioral health services for individuals with serious mental illness
- Compared to 2008, 38 percent increase in individuals receiving long-term services and supports
- Will expand home and community based services benefits to individuals “at risk” of deteriorating to institutional level of care
- First in the nation to submit a state plan amendment for the alternative benefit package for the Medicaid expansion group under ACA

Eligibility:

- Between 2008 and 2013, 38 percent increase in number of beneficiaries
- Cleared more than 5,000 application backlog
- Successfully implemented \$93 million new eligibility system under ACA
- Expanded eligibility by removing asset limit for parents/caretaker relatives and childless adults
- First in the nation to get approval for new income methodology under ACA

Delivery System:

- Rebalanced long-term care increasing from 40 percent to 65 percent of individuals receiving services at home or in the community (versus a nursing facility)
- Implemented public reporting of and financial incentives for health plan performance
- Implemented contractual requirements for health plans to support patient-centered medical homes and value-based purchasing with hospitals
- \$10 million reimbursement enhancement to primary care providers (for January to June 2013)
- Unifying behavioral health service delivery for Medicaid beneficiaries with a serious mental illness
- Combining QUEST and QExA to create QUEST Integration, a consolidated patient-centered managed care program that primarily benefits individuals who become aged or disabled

Outcomes:

- Improved efficiency: rank in top 10 percent nationally for lowest rate of emergency room visits
- Improved quality:

•	2009	2013
Childhood Immunizations	62%	71%
Chlamydia Screening	55%	64%
Blood Pressure Control	30%	52%
Cholesterol Control in Individuals with Heart Disease	33%	43%
Blood Sugar Control in Diabetics	30%	43%

Financing:

- Saved Hawaii taxpayers \$1 billion since 1994
- Brought in \$550 million in federal stimulus funds through Medicaid under ARRA
- Supported \$82 million settlement with drug manufacturers
- Brought in \$10 million in federal funds for emergency services provided to COFAs
- Implemented a \$142 million budget reduction during the recession
- Bring in federal funds for DOH AMHD, CAMHD, DDD, EIP; DOE (school based services to Medicaid covered children); DPS (hospitalizations of prisoners)

Hawaii Public Housing Authority (HPHA)

Public Housing. During the past three years, the HPHA provided housing and section 8 assistance to more than 7,400 families (approximately 17,000 people) from the most vulnerable populations in Hawaii. New families alone translate to over 2,800 more adults and over 1,100 more children now with a roof over their heads.

Rehabilitated Public Housing Facilities. In late 2011, the Hawaii Public Housing Authority embarked on its first mixed finance redevelopment project at Kuhio Park Terrace, a \$135 million dollar renovation of The Towers of Kuhio Park.

Housing for Homeless and Abused. Provided housing and assistance to more than 2,000 adults and 830 children facing these specific issues. Today, HPHA is pleased to report that 93.7 percent of these new families are now paying rent.

Choice Neighborhoods Initiative. HPHA was awarded a federal \$300,000 Choice Neighborhoods Initiative Planning Grant and received \$600,000 in state CIP funding in 2012, allowing HPHA to work with the Michaels Development Company to develop a comprehensive neighborhood revitalization and transformation plan for potential improvements of the Kuhio Homes and Kuhio Low-Rise units, as well as the surrounding neighborhood, with the hopes of attaining a \$30 million Choice Neighborhoods Implementation Grant.

Closure of Corrective Action Order. In 2013, the HPHA closed a decade long Corrective Action Order (CAO) with the U.S. Department of Housing and Urban Development (HUD). The closure of the

CAO marks the end of a decade of federal scrutiny over the HPHA in all areas including procurement, obligation of capital funds, operation of public housing, and financial management.

Fulfilled Requirements of the Consent Agreement and Final Order (CAFO) by the Environmental Protection Agency (EPA). Successfully converted or closed all large capacity cesspools statewide at its public housing facilities fulfilling the requirements under the CAFO.

Improved Rent Collection. Reduced tenant accounts receivable from \$3.2 million to \$800,000. Improved the tenant rent collection system through timely tenant notices and grievance hearings, coordinated write off of bad debt with Attorney General's Office, and strengthened lease enforcement and the evictions process.

Improved Occupancy in Public Housing from 89 percent to 96 Percent. In 2012, Governor Abercrombie enacted Act 159, which allowed HPHA to hire licensed trade workers to repair the most damaged and deteriorated units. The use of this skilled crew has reduced unit turnaround time and improved lease rates dramatically.

Security Initiatives. HPHA continued its commitment to improving security for public housing properties, most notably through the installation of security fences, increased lighting, resident ID cards, and security guard services at targeted properties. HPHA was awarded a \$250,000 federal security grant for continued security improvements at Mayor Wright Homes.

Infrastructure improvements. Continued to improve the housing delivery system through cost-effective management of federal and state government programs and resources. Upgraded computer software provided improved financial accounting and reporting and improved functionality in the management of more than 20,000 client and applicant files.

Human Resources Development

State Employment. More than 4,000 people have been welcomed into state employment, filling critical vacancies to ensure the state can deliver services to the public. As valued employees retire, DHRD will continue to identify recruitment and placement opportunities to respond to the expectations of today's workforce.

Equal Employment Opportunity (EEO). A centralized EEO program office was established to provide additional support to all departments and agencies in the areas of policies, recruitment, personnel practices, complaints, investigation, and training. The program is designed to support the State's commitment to promoting and maintaining a productive and supportive work environment, free of any form of discrimination, harassment or retaliation.

Development Opportunities for Employees. Training and development opportunities for employees have been significantly expanded. In addition to reinstating the statewide training catalog, DHRD has focused its efforts in delivering managerial training, team building, workplace safety, and ergonomics and project management, along with human resources training in the areas of selection interviews, workers' compensation claims management, and performance assessments. DHRD also re-

established its Employee Counseling Program to continue to provide support services. The State Executive Leadership Forum (SELF) was launched in March 2014 to provide contemporary and relevant leadership development curriculum and training to all managers.

Transformational Internship Program. DHRD has partnered with OIMT's Enterprise Program Management Office (EPMO) to establish the Transformational Internship Program (TIP) supporting all executive branch departments. Since the program began in January 2013, nearly 200 undergraduate and graduate students have offered their insights and perspectives on government, while learning about the breadth of public services and the dedicated employees who deliver these services. The program has proven to be a great referral source to departments wishing to fill various positions in program and project management and information technology. TIP was recently awarded the 2014 IT Program of the Year by StateScoop50 and was nominated for the National Association of State Personnel Executives (NASPE) Innovative Program of the Year.

Enterprise Resources Planning. DHRD is actively participating in the planning and design of a future Enterprise Resources Planning (ERP) system that will allow employees to have real-time access to key information and data. With contemporary and full-featured systems and tools, employees will be able to deliver services more expediently and efficiently.

Recruiting and Social Media. DHRD has re-launched recruiting outreach efforts within the last 18 months to reconnect with colleges, universities and the public through various career and internship job fairs. DHRD also launched its social media program in January 2014 to promote and advertise job opportunities and to broaden the pool of applicants.

Labor and Industrial Relations (DLIR)

Occupational Safety and Health (OSHA). Beginning in December 2010, the DLIR initiated recruitment for 12 positions restored by the 2010 Legislature and the conversion of nine of the restored positions to meet the OSHA benchmark staffing requirements. In 2012, DLIR and OSHA signed an agreement to jointly rebuild and strengthen the safety and health regulatory environment in Hawaii to assure safe and healthful working conditions for Hawaii's workers.

Civil Rights. Since 2008, the Hawaii Civil Rights Commission (HCRC) was subjected to the same reductions in staffing and general fund budget that every state program faced, losing eight of 30 permanent positions. In addition, the HCRC was jeopardized by an overreliance on federal funds, with eight of 22 remaining permanent positions paid partially or wholly with federal funds that had been exhausted. This "poison pill" would have resulted in an additional crippling loss of capacity, but in 2013 general funding for seven of those positions was restored with a shift in means of financing in the budget, avoiding additional losses.

Boiler and Elevator Inspections. The establishment and filling of 10 additional positions have allowed the DLIR to begin reducing the historical backlog in boiler and elevator inspections. The law has enabled the department to meaningfully enhance the public's safety and contribute to the ongoing economic revitalization by not impeding construction as we recover from the Great Recession.

Elevator Code Update. Adopted rules to bring the applicable code of elevator standards up to the 2010 American Society of Mechanical Engineers (ASME) standards for elevators and clarified that the applicable code for older elevators is the code in effect at the time of installation. The current rules use ASME A17.1 from 1996, which have been updated four times since, but Hawaii had not adopted any of the updates. The administrative rules for elevator safety were last updated in 1998 when the department incorporated the 1996 code. Adoption of the 2010 code ensures greater public safety for elevators, escalators and related equipment.

Minimum Wage Increase. The department worked with a large group of social, religious and labor organizations to advocate for a raise in the minimum wage. The last time the minimum wage was increased was on January 1, 2007 and since then the average annual salary has increased \$4,200. Twenty-one other states and D.C. have higher minimum wages than Hawaii even though Hawaii has the highest cost of living. Act 82 (SLH, 2014) provides four increases in the minimum wage until it is \$10.10 an hour in 2018. Increases in the minimum wage will further the economic recovery of Hawaii and lift Hawaii's working poor out of poverty. These increases will also boost consumer demand and jobs because minimum and low-wage workers spend most if not all of their increased wages and therefore will generate economic activity.

Employment and Training Programs. Act 25, SLH 2013, will focus DLIR efforts toward small businesses in the agriculture, construction, creative/innovation, health care and wellness, hospitality/visitor and science and technology sectors by providing seven macro-grants of up to \$115,000 each. These funds will be used as seed money to develop innovative education and training curricula and program design and activities in the aforementioned sectors identified by DBEDT, the county workforce investment boards, employer organizations, industry and trade associations, and labor organizations. Furthermore, the micro-grants that provide half the cost of training served 823 employees from 265 employers in 1,529 classes in fiscal year 2013 and similar if not greater numbers are expected in 2014.

Unemployment Trust Fund Restoration. The Unemployment Trust Fund had gone from a balance of \$552 million in 2007 to bankruptcy in 2010. DLIR has prudently stewarded the funds and only paid a small amount (\$211,000) of accrued interest in 2011, and as a result, the fund is currently healthy. The resulting drop in tax rates will save employers \$130 million in 2014.

Streamlining Business Processes. Act 15, SLH 2013, allowed the Unemployment Appeals Referee to establish an online appeals system, which allows parties to file appeals online, electronically receive hearing notices and appeals documents, and monitor the status of their appeals. The Unemployment Insurance Division began making unemployment benefits available via direct deposit in 2013. It also completed the fourth and final phase of making all kinds of unemployment claims filing available via the web in 2012.

Similarly, Act 261, SLH 2012, and Act 98, SLH 2013, allow the Labor and Industrial Relations Appeals Board and Hawaii Labor Relations Board to notify parties of hearings by first class mail instead of costly certified mail. The money saved is being used in strategic planning efforts by the agencies to move into the digital age with a goal toward paperless litigation and electronic filing and document management.

Land and Natural Resources (DLNR)

Watershed Restoration. “Rain Follows the Forest” is the Department’s top watershed initiative to protect Hawaii’s freshwater supply and support Hawaii’s economy, agricultural production, environment, and quality of life. Declining fresh water supplies, invasive species, climate change, and population pressures present serious challenges for both present and future generations. Protecting our fresh water supply and restoring watershed forests, native ecosystems, and restoration areas are critical to our collective, long-term survival.

Integrated Approach to Sustainability and Climate Change. DLNR has helped Hawaii to become a national and international leader in sustainability and climate change resilience through ecosystem-based adaptation and water conservation. In 2013, DLNR created a State Sustainability Coordinator to integrate work across departments, federal agencies, counties, and private partners. DLNR Chairperson William Aila attended the Global Island Partnership at 2012 Island Summit of the UN Convention on Biological Diversity in India to explain Hawaii’s integrated approach to sustainability. As a result of DLNR’s work, Hawaii signed the Majuro Declaration for Climate Leadership as the first sub-national government in 2013. DLNR supports Governor Abercrombie’s participation in President Obama’s 2013 Task Force on Climate Change Preparedness and Resilience.

Community Fisheries Enforcement. The Community Fisheries Enforcement Unit (CFEU) is a public-private partnership between DLNR and the Hawaii Fish Trust/Conservation International (with support from the Harold K.L. Castle Foundation). It was launched on Maui as a pilot project in May of 2013. It aims to strengthen DOCARE’s ability to protect near shore fisheries through focused land and vessel patrols, and community education and collaboration. In the first two months of operation, 12 criminal fishing-related citations were issued, a significant improvement over prior years. Pending funding, this model is planned for expansion to other islands in the near future.

Public Access to Land Records. The Bureau of Conveyances’ (BOC) Online Document Search website improved access to documents beginning in January 2011 and can now retrieve public documents quicker and for a nominal fee. Individuals, businesses, and public agencies now have greater access to land record documents. Launched in 2012, “e-Recording” provides online access rather than the traditional paper route. Digital format and processes reduce time and expenses for everyone.

Hawaiian Fishpond Revitalization. The Office of Conservation and Coastal Lands (OCCL), with the support of Conservation International, Honua, and the Office of Hawaiian Affairs, recently completed the Programmatic Environmental Assessment to streamline the multi-agency permit process that will facilitate work to repair and restore Hawaiian fishponds. When the process is complete, and the necessary general permits and agreements are in place, all state and federal permitting for Hawaiian fishpond repair and restoration will be cleared through OCCL, fishpond practitioners will have a one stop permit shop.

Lieutenant Governor

R.E.A.C.H. (Resources for Enrichment, Athletics, Culture and Health). R.E.A.C.H. is an initiative spearheaded by Lt. Governor Tsutsui that provides a standardized framework and funding for afterschool programs for Hawaii's intermediate and middle school students. The pilot program, which includes five intermediate and middle schools across the state, is underway.

Trade Mission to the Philippines. Lt. Governor Shan Tsutsui successfully led a trade mission delegation of more than 40 business executives to the Philippines. The mission increased business activity by promoting Hawaii and the Philippines as investment and tourism destinations, and encouraged trade and economic activities across the Pacific region.

Sports Development Initiative. Lt. Governor Tsutsui has begun laying the groundwork for the Sports Development Initiative, which aims to coordinate efforts throughout Hawaii to build a thriving sports industry.

Barack Obama Presidential Center. Lt. Governor, along with the Hawaii Presidential Center Leadership Team, is spearheading efforts to develop a proposal for an Obama Presidential Center in Honolulu. Hawaii is the perfect place to nurture the president's legacy and carry forward his work.

Appointed to National Policy Committee. The National Lieutenant Governors Association (NLGA) has appointed Lt. Governor Tsutsui to serve on the International Committee, which provides direction on opportunities for global engagement by the states' seconds-in-command.

HI Growth Initiative. The HI Growth Initiative was signed into law by Lt. Governor Tsutsui on July 9, 2013. With these resources, Hawaii Strategic Development Corporation launched a new state investment program focused on building an innovation ecosystem that supports entrepreneurial high growth businesses and creates high wage jobs for our people.

Aerospace States Association. Lt. Governor Tsutsui serves as the vice chair of the Aerospace States Association. The Office of Lieutenant Governor recently sponsored an Aerospace Summit, which was attended by more than 200 people. The summit discussed the future of the aerospace industry in Hawaii.

Office of Information Practices (OIP)

Clarification of OIP Authority. Legislation of 2012 clarified OIP's authority, allowing government agencies to challenge OIP's opinions, and establishes time limits and a high standard of review for such challenges in both UIPA and Sunshine Law cases. OIP also helped to pass amendments to the Sunshine Law in 2012, as well as passage of the State's Open Data policy in 2013

UIPA Record Request Log. OIP created the UIPA Record Request Log in 2012 to help agencies track, report, and timely assist the public on record requests, while also educating government employees on how to properly comply with the UIPA. The Log also helps to promote the state's Open Data efforts.

Improved OIP's Website, Training, and Communications. OIP provided free and easy access to open government information through:

- Updating or increasing the number of training materials on OIP's website by 350 percent, including PowerPoint presentations and videos to provide basic training on the UIPA and Sunshine Law.
- The creation of a Sunshine Law Quiz that electronically scores and provides a certificate of completion for scores over 70 percent.
- The creation of continuing legal education (CLE) programs providing Mandatory Continuing Professional Credits (MCPE) for attorneys to help ensure that the agencies' and boards' legal counsel, could properly advise them to comply with the UIPA and Sunshine Law.
- Increased communications from OIP to agencies and the public by 538 percent to more widely and timely disseminate advice and information about the UIPA and Sunshine Law.
- An updated OIP website to have the same "look and feel" as the other state agencies and be the authoritative site for UIPA and Sunshine Law issues. OIP's comprehensive website provides easy access to the UIPA and Sunshine Law statutes, administrative rules, OIP's formal opinions, summaries of informal opinions, training materials, What's New archives, annual reports, and related links such as the state calendar.
- Implemented OIP's first online survey of OIP's users, which showed that over 94 percent of the respondents were very satisfied or satisfied with OIP's services.

Honoree for the State's Team of the Year in 2012. As a result of OIP's hard work and efforts, agencies have many new tools to help them comply with the UIPA and Sunshine Law, and even open government advocates agree that the state government has gotten better in complying with the laws. Because of the increased awareness of the laws and agencies' responsibilities, formal and informal requests for OIP's assistance have increased 55 percent since FY 2011.

Office of Language Access (OLA)

Language Access Resource Center and Multilingual Website. Passage of Act 217, SLH 2013, established the Language Access Resource Center and Multilingual Website within OLA.

Sixth Annual Hawaii Conference on Language Access. A very successful 6th Annual Hawaii Conference on Language Access was held, on the theme: Ola Pono - Language Access in the Community Health Setting. The conference was the largest yet, with more than 250 in attendance (including people from the continental U.S.) and 40 speakers (from the continental U.S., Canada and Hawaii).

Community Forums. KukaKuka: Community Forums on Language Access — a joint outreach project of OLA and the Office for Civil Rights, US DHHS Region IX and San Francisco — covering all islands, was held September 16-20, 2013.

William J. Harris Equal Opportunity Award. 2013 William J. Harris Equal Opportunity Award was given to OLA executive director by the National Association of State Workforce Agencies (NASWA) during its 77th annual national conference on September 19, 2013 in Denver, Colorado. The award is

given "for achieving a national standard of excellence in the development and implementation of an effective Equal Opportunity program in Hawaii."

Public Safety (PSD)

Justice Reinvestment Initiative:

- Implementation of evidence-based risk assessments for pre-trial detainees and sentenced offenders.
- Expansion of reentry opportunities for offenders, including expansion of work furlough on Oahu from 96 beds to 216 beds and creation of residential/substance abuse treatment/job placement services for offenders in West Hawaii.
- Improvement in programming for parole violators.
- Increase in victim restitution payments by inmates.

Kulani Correctional Facility. The Kulani Correctional Facility in Hilo reopened in July 2014. (The facility closed in 2009, resulting in the displacement of nearly 100 staff and the transfer of almost 200 Hawaii inmates to other overcrowded state facilities.) There are currently 56 staff working at the facility. Sixteen new ACOs started Basic Corrections Training on June 30, 2014, and will begin their jobs at Kulani upon graduation in August 2014. In addition, 19 more positions are in various stages of recruitment. Kulani's 200 low-risk inmates will return in phases. The first phase of approximately 25 inmates will be brought to the facility in July 2014. The rest will return in increments over the next five months.

Facilities Assessment and Strategic Plan. Conducted an assessment of facilities, staff and inmate needs through a strategic planning process. PSD is working on strategies for addressing deficiencies in our correctional facilities and for developing facilities to bring all out-of-state inmates home to Hawaii.

Performance Outcomes. Instituting performance measures for each program to quantify outcomes. This also places PSD in a position to work more closely with OIMT to create a better dashboard and to more closely examine management processes that can take advantage of technology.

Taxation (DoTAX)

Collections. The DoTAX audit branches collected \$55.7 million in tax assessments during FY 2012 as compared to \$32.4 million in FY 2011, an increase of \$23.3 million, or 71.9 percent.

GET Collections. Collections of Hawaii's largest source of revenue, the General Excise Tax (GET), grew from \$2.5 billion in FY year 2011 to \$2.7 billion in fiscal year 2012, or by 8.1 percent.

Performance and Services:

- The Department's operating budget is a small fraction of total tax revenue. In FY 2012, the Department's operating expenses are about 0.3 percent of total tax revenue.
- The cost to collect \$100 of tax revenue in FY 2012 is \$0.30 compared to \$0.35 in FY 2011.

- During FY 2012, the Document Processing (DP) Branch processed 2,404,685 returns, 821,786 (34.2 percent) of which were electronically transmitted. The DP Branch also processed approximately 3.5 million payments totaling more than \$5.96 billion during the year, \$74 million more than in FY 2011.
- In FY 2012, the number of audits completed by Office Audit Branch was 9,675 cases, an increase of 34.3 percent (2,473 cases) compared to FY 2011, and the total dollars assessed was \$26.5 million, an increase of 11.8 percent (\$2.8 million) compared to FY 2011.
- Criminal investigations resulted in a number of referrals to the Criminal Justice Section of the Department of the Attorney General, which in FY 2012 filed indictments and complaints against 13 taxpayers. A total of \$57,500 in judicial fines and over \$1 million in tax assessments were imposed. In addition, the collector assigned to criminal cases collected \$1.4 million in taxes, penalty and interest charges, and fines.
- With only three investigators, the newly established Special Enforcement Section educated over 1,600 vendors regarding local tax laws, identified and assessed outstanding taxes of over \$3 million, and collected over \$900,000 in new tax revenues.
- The Field Audit branch conducted a number of special projects, which resulted in approximately \$850 million in assessments. Most of these were the result of the audit into the online travel companies.

Transportation (DOT)

Airports:

Honolulu International Airport Launched \$750 Million Improvement Program. The program includes a new terminal, concourse, and consolidated rental car facility, along with airport infrastructure upgrades. These upgrades and additions are the first major improvements in more than 20 years and will address high-peak hour demand for gates, accommodation of larger aircraft, and improved operations and efficiency.

Hawaii Airports Go Green. An Energy Savings Contract was entered into, that will save \$518 million in electricity and water costs over the 20-year contract. The installation of energy efficient technology and upgrading of equipment and addressing deferred maintenance will greatly reduce the department's carbon footprint and is in line with Gov. Abercrombie's goal to reduce the state's dependence on fossil fuels.

Emergency Power Facility at Honolulu International Airport. Powered with biodiesel the new facility will keep critical airport functions up and running during an emergency or prolonged power outage. Expected to be completed in June 2014, the facility will provide electricity to Hawaiian Electric during non-emergency conditions. DOT is partnering with Hawaiian Electric Co., which will provide reimbursement for maintenance and electricity generated.

Hilo International Airport Cargo Facility. Construction is well underway for the \$14 million airport cargo facility at Hilo International Airport. This facility will provide for streamlined cargo and inspection services all under one roof.

Celebrating Our Local Heroes. A new exhibit entitled “Celebrating Our Local Heroes” was dedicated at the Honolulu International Airport honoring the late US Senator Daniel K. Inouye and the late Hawaii sports legend Wally Yonamine. The displays feature photos, memorabilia and narratives highlighting the contributions of these local heroes to Hawaii during their illustrious careers.

Commercial Harbors:

American Recovery and Reinvestment Act Funds used to Restore Harbor Capacity, Improve Safety and Efficiency at Honolulu Harbor Pier 29:

- The project received \$24.5 million in federal stimulus funds through the Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grant Program, part of the American Recovery and Reinvestment Act (ARRA). This federal funding was an integral part of the project’s quick start, covering approximately 85 percent of the total \$29 million project cost.
- As the first harbor project nationally to receive TIGER grant funding, the Pier 29 project restores approximately 12 acres of upgraded cargo space that will increase operational efficiency and workplace safety at Honolulu Harbor. Along with the concrete pavement reconstruction, new drainage, water, lighting, sewer, and fire protection and electrical systems were also installed, increasing Honolulu Harbor’s cargo capacity by creating more space for additional container ships and commerce.

Kawaihae, Hawaii, Harbor Modernization project. This project broke ground in 2013 and is currently under construction with an expected completion in 2014. It will provide a new \$7 million cargo terminal project that will improve the safety and efficiency of cargo operations at Hawaii Island’s fastest growing commercial port.

Honolulu Harbor’s New Harbor Police Patrol Boat. The *Kiaiawa*, meaning harbor guardian, will patrol both Honolulu and Kalaheo Barbers Point Harbors, improving port safety and security. The new 27-foot, aluminum-hull vessel can patrol at high speeds and with high maneuverability. It provides a safe, enclosed cabin for harbor police for their daily patrols.

Kahului Harbor Surveillance and Command Information System. Funded by a Department of Homeland Security, Port Security Grant, this system provides heightened port security through a link of shared video feeds between state harbors and other agencies for a common situational awareness.

Kalaheo/Barbers Point Harbor Master Plan. This master plan process is underway and will guide the development and utilization of the state’s second largest commercial port. In conjunction with the master plan, work is in progress on an Environmental Impact Statement for a dedicated fuel pier. This project is will help meet Hawaii’s future energy needs.

Kaunakakai Harbor Ferry Terminal Improvements. Passengers using the ferry from Kaunakakai Harbor on Molokai to Lahaina Harbor on Maui now have an upgraded and modernized facility with an expanded passenger waiting area, upgraded restroom facilities, and a larger parking lot that allows for better traffic flow. Fire protection and sewage system improvements were also made, along with rehabilitation of a portion of the commercial pier, in this joint project with the DLNR.

Hilo Harbor Kumau Street Entrance Improvements. Work is underway to widen Kumau Street from two to four lanes relieving traffic congestion at this vital facility for East Hawaii. The improvements will provide an alternate entry and exit point for commercial cargo traffic when cruise ships are in port, helping to separate passenger traffic from cargo operations, improving traffic safety and overall efficiency. Work is expected to be complete in January 2015.

Highways:

Saddle Road Newest Portion Completed - Renamed Daniel K. Inouye Highway. DOT completed \$30.8 million improvements to Saddle Road - West Side, Defense Access Road. With the completion of this project, 31 miles of the former Saddle Road has been improved to modern standards, greatly increasing safety and providing an important connector route between West and East Hawaii.

Honoapiilani Highway Realignment, aka Lahaina Bypass – First Two Segments Open. DOT completed the \$50 million Honoapiilani Highway realignment project from Keawe Street to Lahainaluna Road, Phase IA, in December 2013 and completed and opened the \$35 million second phase, 1B-1, from Lahainaluna Road to Hokiokio Place in January 2014. This long-awaited bypass highway provides residents and visitors an alternate route to alleviate traffic and an emergency exit route in times of emergencies.

Hawaii Driver's License System Compliant Federal Real ID Act of 2005. Certified by the Department of Homeland Security, this system provides that Hawaii's drivers' licenses and state identification cards are recognized as official identification documents by the federal government and are in compliance with Hawaii's Legal Presence Law.

Kapolei Interchange Phase I Completed. In August 2012, the \$26 million project opened to the public providing a much-needed alternate freeway access for the growing neighborhoods of Kapolei and Makakilo. The additional ramps help to better balance traffic flow on the area's main streets, reducing congestion and providing more access to the H-1 Freeway.

Freeway Service Patrol Expanded Route East to Hawaii Kai. This popular service offers a free tow, tire change, or other emergency services to motorists stalled on the most heavily trafficked sections of H-1 Freeway and part of H-2 Freeway. Quickly and safely moving stalled vehicles off the freeway keep traffic disruptions kept to a minimum.

Restriping Projects Provide High Impact, Low-Cost Traffic Improvements. Restriping projects on the H-1 Freeway, H-201 Moanalua Freeway, Fort Weaver Road and Kamehameha Highway in Wahiawa Town are addressing traffic congestion and delays by adding lanes through restriping. These projects have resulted in quick and successful improvements at a fraction of the cost of traditional build-out projects.

Statewide Pedestrian Plan. This project won state and national American Planning Association award for transportation planning. This is the first statewide plan in the nation to focus on pedestrians – it provides planners and engineers with priorities and a toolbox of work that may be incorporated into current and future projects. Three pedestrian improvement projects have already been completed.

Ihihilauakea Stream Bridge Repairs. Located on Kalanianaʻole Highway near Koko Head, repairs were made to cracks and spalling in the 83-year-old concrete bridge. Damaged sections and steel reinforcing bars were replaced and a fiber reinforced polymer carbon fiber wrap system was installed around the new concrete to further strengthen the repairs. Repaired areas were painted to restore the original appearance and provide an additional layer of protection against the elements.

Walk Wise Hawaii (WWH). This public education program is a pedestrian safety partnership between HDOT, City & County of Honolulu's Department of Transportation Services (DTS), Honolulu Police Department and TLC PR (formerly the Limtiaco Company). Its purpose is to educate the public, with an emphasis on seniors and children, on good pedestrian behavior and to raise driver awareness of pedestrians. It recently received an award from the National Highway Traffic Safety Administration for Public Service.

H-1 Freeway Rehabilitation Project. On Aug. 1, 2014, the DOT celebrated the successful substantial completion of the H-1 Freeway Rehabilitation Project prior to the start of the Beat the School Jam period. Even prior to completion, the department began receiving positive feedback from motorists. The project reconstructed and resurfaced one of the most heavily traveled corridors in the state and added an extra travel lane in both directions in less than 11 months. New LED street lighting, added drainage, and glare screens were also installed to improve highway safety. The overall scope spanned from the vicinity of Middle Street to the vicinity of Ward Avenue and was completed mainly with nighttime work. Work on the \$42 million federal aid project began on Sept. 22, 2013, included both partial and full overnight closures in both directions, and also included the widening of the Nuuanu Stream Bridge. The project area averages approximately 200,000 vehicles daily, which precluded the use of daytime lane closures.

University of Hawaii (UH)

UH West Oahu; Palamanui Campus. The University of Hawaii celebrated the completion and opening of the UH West Oahu campus to bring higher education access to important underserved groups such as Native Hawaiians, Filipinos, Pacific Islanders, and other residents of Kapolei and the Waianae Coast of Oahu. Groundbreaking and construction began on the Palamanui Campus of Hawaii Community College to broaden educational opportunities to the west side of Oahu.

UH Cancer Center. The University of Hawaii Cancer Center was built and opened Feb. 23, 2013. The Center, one of only 67 nationally designated cancer research centers, facilitates research of critical health challenges in Hawaiian and Pacific Islander populations.

Astronomy; Thirty Meter Telescope. Construction began on the Advanced Solar Telescope on Haleakala and progress was made on the Thirty Meter Telescope on Mauna Kea, which furthers excellence in astronomy and increasing its contribution to the economy of Hawaii and Maui.

Association of Pacific Rim Universities. In 2013, UH Manoa was accepted into membership of the Association of Pacific Rim Universities (APRU). APRU is the leading consortium of research universities in the region, and one of the most exclusive and prestigious organizations in higher education research. UH Manoa is one of only 12 U.S. members of the 45-member body of premier

research universities. UH also reached out and established solid partnerships with the Hawaii Business Roundtable, Chamber of Commerce, and other business organizations to support the Hawaii Innovation Initiative in order to grow UH's research activity into a viable and strong leg of Hawaii's economy.

Expansion of Educational Programs. UH expanded its educational reach and service by increasing the number of degrees awarded to students from 8,084 in Fiscal Year 2008-2009 to 10,001 in 2013, throughout the UH System, which is a 24 percent increase. This contributes to a more educated citizenry for the state of Hawaii. UH System also instituted the first Associate of Arts Degrees in Hawaiian Studies across all seven community college campuses, helping to perpetuate the host culture and language.